
JES SWS

**BOARD OF SELECTMEN
MEETING MINUTES
1/11/11**

The Board of Selectmen met in the Town Hall, Joseph F. Bilotta Meeting Room as scheduled with Paula Bertram, Steven M. deBettencourt, Ernie Sund, Dave Matthews and Town Manager Kerry Speidel present, Tom Alonzo absent. Meeting opened at 7:01 P.M. with the Pledge of Allegiance. Moment of silence observed for the victims of the recent Tuscon AZ shooting.

PUBLIC COMMENT

Dan Keohan of 92 Cross Street came before the board in a plea for their assistance, he noted that he is also coach for 8th grade basketball travel team and was informed that the availability of the school gym has been reduced. As such, Monday, Wednesday and Friday will be closed @ 6:00 PM and on Tuesday and Thursday @ 8:00 pm and the amount of time that they're allowed to practice is just not enough. This past year the team has run into a problem of not being able to use the basketball courts and on a number of occasions when he has gone by the school at night, the lights in the gym are still on and in most cases, it's well after 8:00 PM. The team plays throughout the state and now they're limited to practice down to two hours per week. The schools reasoning's are because of the heat and having to turn down the thermostats and the costs for lighting the basketball courts. Just received an email this morning stating that the soccer teams will be using the basketball courts, and added that the gyms need to be opened Monday through Friday until 9:00 PM.

Paula commented that 5 days a week seems excessive and per Dan, since this new development this season we are having the recreation program use split courts and in this program you are only able to practice for 15 minutes before the game. In the past we practiced 3 hours per week and this is what they need. Where we're at now, even the neighboring communities are practicing 3 - 4 hours per week. We have great talent coming up and it's being stymied by someone saying that there's no availability for the courts and he's asking for assistance from the Board of Selectmen.

Dave questioned if they've worked with the Parks Department and per Dan, they have not intervened at this point. Per Dave he is aware that the Park Department use to use the facility through a fee system.

Dan just doesn't think that this is right for the kids; we're six games into the season and only have until the end of February, they have offered to pay a fee, but is being told that this will not solve the problem.

Dave commented that it doesn't seem that this should be an insurmountable problem, but noted that he's dealing with two other elected boards.

Paula would suggest that the Parks Department be contacted.

Steve believes that we should be able to come to a resolution to this.

ANNOUNCEMENTS

1. Snow announcement for pending snow storm and potential power outages. Local utility companies are providing media relations and increased the crews in anticipation of the storm event and will be prepared should conditions worsen. Noted emergency measures to be followed in the event of power in this case Unitil can be contacted @ 888-301-7700. Updates will also be available through their website @ www.unitil.com.

APPOINTMENTS

CURRENT BUSINESS

1. Retirement System Overview – Kevin Blanchette, Executive Director – Tabled until next week.

2. Public Hearing Municipal Aggregation Plan – Kerry provided the attached information for the board and as this is not a legal requirement it has been suggested. Brian Murphy of Colonial Power Group reviewed where we've been and what brought us to this point, the concept of aggregation has evolved slowly and the town decided to pursue at the November Town Meeting. Public Hearing is to engage public input and transparency and is requested by the Department of Energy Resources. The plan has been reviewed by a number of municipalities, the DPU, DOER, City Solicitors and Town Counsels and as such the document before the board is a very mature document and what they believe is the best plan available. Overlooked the key factors within the document and noted that we are slowly exiting the review process. Noted that from the consumers point of view, there are not much changes but they will need to verify that on their bills they are receiving the towns' rate. Discussed the opt-out option and customer enrollment process. Unitil has reviewed this plan to ensure that they are comfortable with it and they haven't been informed of any issues on the transactions processes. Brian also noted and expressed appreciation for Unitil's input throughout this process.

Paula would like to have this placed on the board's agenda for next week for formal vote and to provide copies of this document at the Library and Town Hall, noted that this has been placed on the Town's web-site and would like to give the public the opportunity to

comment if they so choose as this is the first night that people have heard us go through the plan. Brian noted that CPG's contact information is within the document and the public should feel free to contact them as well for information.

3. Minutes – Board of Selectmen Regular session for 10/5/10, 10/12/10 (Dave noted changes to these minutes to which Steve concurred) & 1/4/11 and Executive Session for 10/5/10 reviewed and signed.

Warrants - #37 11, 1/11/11 - \$127,281.07 and #38 11, 1/2/11 - \$249,724.66 reviewed and signed.

Action File Issues – Ernie would like to discuss Holman Street Bridge and he has a concern on debris accumulating on the bridge and the possibility of the area being dammed up and the only way he could see in alleviating this situation would be to remove the bridge all together. Paula noted that this was scheduled for a future meeting and as there is quite an amount of information that the Town Manager is still waiting to receive from the Fire Chief, Police Chief and DPW Director, believe this is planned for a meeting in February.

Board commented on the programming that has been occurring on the local access channel and expressed appreciation to PACC for their efforts.

Noted that Lunenburg Public Schools are closed tomorrow due to the pending storm, town will be making their decision on closure for tomorrow morning.

4. Committee Updates -

- Dave attended the recent School Committee meeting at which time, the Superintendent presented her budget. Net increase of approximately \$923,000 of last fiscal year and \$424,000 over the town manager's projection. Reasons for the large increase is the elimination of ARRA funding and the Shirley students. At this point looking at the five year projection; there are a lot of assumptions within their budget. The school has done enrollment projections on the number of students based upon the developments that are being built in town.
- Ernie PACC met last night and are looking into further acquisitions in order to record events to be televised. They are also looking at some method to get money back from the DVD's that are produced and sold, possibly a revolving fund. Also informed the board that the Green Communities Task Force is developing an RFP for the solar array at the Landfill and there are a number of questions that will involve the Town Manager, should anticipate this coming before the town in a very short time.

5. Department Updates – IT Director Nancy Strom provided the board with the attached summary of IT activities within the past year. Paula questioned the Munis access and whether the DPW is being used as a test sight and this is the intent. Noted that having this access for other departments makes sense. Noted the GIS system and Paula's concern is that departments are not utilizing for desktop applications. Per Nancy, once we get this accomplished it should be accessed online so that not only the departments but the public can use. Cartographics and the Assessor's will be having a demo in February with a working website for us. Nancy also noted that they have now added domain controllers and issues on protections are beginning to smooth out now. One of the intents all along has been to eliminate the redundancy among the departments so that we can reduce and streamline functions.

Ernie commented on the equipment replacement and seems like we've had a lot in one year and if there's a plan of obsolescence on this and according to Nancy she's been working on a three year plan, so that most will be replaced within that time.

Paula questioned the balancing of Nancy's work between the Town and School and how this has been working out. According to Nancy, the school has since hired some employees to assist her and it's working out much better now.

Kerry noted that she has spoken with the School Superintendant and the infrastructure is far more stable.

6. Town Manager Updates

Kerry received information from the Planning Director and the Planning Board is interested in broadcasting one of their meetings per month and will coordinate this with the Town Clerk's Office. Anticipate that this will not occur until sometime next month.

Overview of the Town Hall renovations; had hoped that this would be completed over the holidays, do expect this to be accomplished by the end of the month. The big holdup at this time is that we've had to go out to bid for the carpeting and the need to accomplish the renovations down stairs in a phased in process to be as undistruptive to the business that occurs. Don't anticipate closing Town Hall during this process. She has been looking to do a lot of this outside of normal business hours as possible and because of the economy have been able to acquire good bids and will be having the sheriff's office assisting us with the painting process. Also, contacted MCI Shirley to inquire if there is anything that they are able to assist the town with during this process. Hope to have the entire renovation completed within the next several months.

Eagle Heights Project It appears that in the near future we will be able to reapply for Section 202 Grant Funding, however, due to the lengthy delay in opening this round of funding, the developer is concerned that funding awards will not be made prior to the expiration of this option to purchase the property. As such, he is seeking consideration for an extension of the option. She will be meeting with him next week and will provide additional information to you after that time.

The changes in general seem to be clarifications for existing as well as new Section 202 developments that will ultimately enhance the overall program, including the ability to also secure low income housing tax credits as part of their financing. The Section 202

Supportive Housing Act of 2010 was signed by the President on December 28th, thereby opening the way for RFPs to be issued once the changes were incorporated. Noted that as the RFP has been delayed our ability to know whether or not we will secure funding by the July 2011 date is no longer possible, given the RFP once out (no date has been announced as of yet) most likely will have a submittal deadline of 3 months from its issuance and an additional 4-6 months before a funding award might be announced by HUD. Therefore, RCAP Solutions, Inc. is requesting an Agreement Extension from July, 2011 to July of 2012 to allow sufficient time to secure the funding for Eagle Heights. In addition, we would also request an extension on the title review which expired at the end of December until June of 2011. She would like to schedule a meeting with Representatives of RCAP Solutions, Inc. and the board to discuss these recent events and RCAP's continued commitment to this very important senior housing project.

OLD BUSINESS

1. **Update on 5-year Financial Plan** - Same document that was presented in November, she was asked to quantify the items in the new forecast and as such, Kerry provided the attached spreadsheet. Special expenditure assumptions, grouped the new items that have been added to the budget. Projected Deficit is restoration of items that have been cut totaling \$899,314, which are items that are increasing greater level than other budgets. Dave questioned justification for the Special Expenditure Assumptions and Kerry would prefer that we have the department heads here if this is the discussion that the board wants to have.

Paula has questions about adding personnel and that this is a discussion we need to have with the departments. Kerry proposes bringing in the department heads within the next couple of weeks so that the board is able to understand the individual needs of the departments particularly as we are in the budget season. Paula would like to have a retrospective look at what were the staff levels in the past 10 years and how these levels have changed the operations of the departments. Also, would like to know what the benefit costs would be for the increase in personnel levels under the assumptions. Kerry will add this information and is also in the process of identifying all the major systems in the buildings and what ones may be needing replacement as there is none of this information in the Capital Plan requests right now, not being considered this year. The Facilities Manager is compiling this information and formulating a replacement plan. Kerry noted that there is no way that we're going to sell any increase without a plan in place to present to the people. She will try to schedule one of the Chiefs' and possibly the COA and Library for next week's meeting.

COMMITTEE APPOINTMENTS/REAPPOINTMENTS/RESIGNATIONS

EXECUTIVE SESSION

Adjourned Regular Session at 8:45 P.M. and opened Executive Session by roll call vote; Steve aye, Paula aye, Ernie aye and Dave aye, in accordance with M.G.L. Chapter 39, §23B(3) for the purpose of discussing strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the government's bargaining or litigation position. Chairman announced that the Board would not be returning to Regular Session

UPCOMING MEETING SCHEDULE

Being no further business board voted unanimously to adjourn Regular Session at 8:45 P.M.

Respectfully submitted,

Laura Williams, Chief Administrative Assistant
Board of Selectmen

Town of Lunenburg Community Choice Aggregation Plan

Purpose of the Aggregation Plan

The Town of Lunenburg developed this Aggregation Plan in compliance with Massachusetts law regarding public aggregation of electric consumers. It contains required information on the structure, operations, services, funding, and policies of the Town's plan. The Aggregation Plan has been developed in consultation with the Massachusetts Department of Energy Resources (DOER).

The purpose of this aggregation plan is to represent consumer interests in competitive markets for electricity. It seeks to aggregate consumers in Lunenburg to negotiate rates for the supply of electricity. It brings together the buying power of more than 4,000 rate-paying customers. Participation is voluntary for each individual consumer. Individual consumers have the opportunity to decline service provided through the Plan and to choose any electric supplier they wish.

The Town of Lunenburg has distributed this plan for public review prior to submitting it to the Department of Public Utilities ("DPU").

CONTENTS

- 1.0 The Process of Aggregation
- 2.0 The Organizational Structure and Operations of the Town's Plan
- 3.0 Program Funding
- 4.0 Activation and Termination of the Aggregation Program
- 5.0 Methods for Entering and Terminating Agreements with Other Entities
- 6.0 Rate-setting and Other Costs to Participants
- 7.0 Universal Access
- 8.0 Equitable Treatment of All Classes of Customers
- 9.0 Reliability
- 10.0 Rights and Responsibilities of Community Choice Aggregation Program Participants
- 11.0 The Consequences of Aggregation
- 12.0 Requirements Established By Law or the Department Concerning Aggregated Service

REQUIREMENTS FOR MUNICIPAL AGGREGATION

The Massachusetts Electric Industry Restructuring Act of 1997 contains several requirements for municipal aggregators. One requirement is to develop an Aggregation Plan in consultation with the Massachusetts Department of Energy Resources. The Aggregation Plan is subject to review by citizens in the participating town, and approval by the DPU.

1.0 THE PROCESS OF AGGREGATION

The process of municipal aggregation involves a multi-step public process:

- 1.1 Vote of Town Meeting to Authorize Aggregation
- 1.2 Development of Community Choice Aggregation Plan in consultation with DOER
- 1.3 Review of Aggregation Plan by Town Manager, Board of Selectmen and citizens
- 1.4 Vote on Aggregation Plan by Board of Selectmen
- 1.5 Submission of Aggregation Plan to DPU for approval
- 1.6 DPU Public Hearing on Aggregation Plan
- 1.7 After DPU approval, selection of date to receive price terms from qualified suppliers
- 1.8 Selection of supplier by Town Manager
- 1.9 Notification of Eligible Consumers of automatic enrollment
- 1.10 Opt-out period begins 30 days prior to first day of service
- 1.11 Administrative transfer of Participating Consumers to new supplier
- 1.17 File contract and report with state (DPU, DOER, Inspector General) within 15 days of signing contract.

In addition to this process, municipal aggregators must comply with open meeting laws, ethical rules, and certain public bidding and information requirements.

2.0 THE ORGANIZATIONAL STRUCTURE AND OPERATIONS OF LUNENBURG'S AGGREGATION PROGRAM

This section will detail how the Town will organize the daily operations of the Plan and will assign responsibility to each party.

Lunenburg's Town Government is led by a 5-person Board of Selectmen. Daily operations are overseen by a Town Manager. Town elections are held the third Saturday in May.

The Board of Selectmen is composed of five members elected for staggered 3-year terms. Specific powers and responsibilities of the Board of Selectmen are set forth in the Town's Charter. The operational role of the Town and its agent in relation to consumers is outlined and described in the following pages.

There are six operational levels to the Town's Community Choice Power Supply Program as described in section 2.1.

Town of Lunenburg Community Choice Aggregation Plan

Operational Outline

2.1 Description of Operational Levels

Level One: Consumers

Citizens and Lunenburg consumers hold the ultimate authority over the aggregation and its functions. They can elect candidates for the Board of Selectmen who may take positions regarding the aggregation. They can participate in local and regional meetings and hearings regarding issues related to restructuring in general and the aggregation of Lunenburg in particular. And they can attend meetings to express their views. (Also see Consumer buying power at Level Six below.)

Level Two: Board of Selectmen

Based upon its existing authority, or authority provided by voters at town elections, the Board of Selectmen may act on program and policy issues and contract recommendations. In addition, it may provide instructions to the town's agent regarding specific policy or program decisions to be made under the aggregation plan. It may also raise issues directed to it by consumers for the Town to address.

Level Three: Town Manager

The Town Manager carries out the collective decisions and instructions of the Board of Selectmen and consumers.

Level Four: Colonial Power Group, Inc. (CPG)

As the agent for the Town, CPG provides the day-to-day management and supervision of the business affairs of the aggregation under a Contract Agreement. CPG serves as the Town's procurement agent, utilizing its staff to solicit services as requested by the Town. In addition, CPG provides office space and administrative support to coordinate the aggregation's operations. This administrative support includes: 1) communications; 2) program development; 3) record-keeping; 4) oversight of program administrators who assist in service procurement and contract oversight and maintenance.

Level Five: Power Suppliers

Power suppliers contract with Lunenburg through its Town Manager. The power supply program is negotiated, recommended, and monitored for compliance by CPG. No power supply contract is binding until approved by the Town Manager.

Level Six: Consumers

Every Eligible Consumer in Lunenburg may participate in the Town's aggregation program. All Eligible Consumers will also have the ability to decline supply service through the Competitive Supplier and choose any other power supply option they wish. Consumers who are dissatisfied with services provided under contracts negotiated by the Town may also communicate directly with the Supplier or CPG via e-mail or toll-free telephone numbers in an effort to alter or otherwise improve service. Consumers may also bring issues before the Board of Selectmen. (See Level One above.)

2.2 Program Operations

The plan's operations are guided by the provisions and goals contained in this plan and the instructions and decisions of the Town Manager's office, CPG, and consumers.

The goals of this aggregation plan are:

- 1) To provide the basis for aggregation of consumers on a non-discriminatory basis;
- 2) To acquire a market rate for electricity supply and transparent pricing;
- 3) To provide equal sharing of economic savings based on current electric rates;
- 4) To allow those consumers who choose not to participate to opt-out;
- 5) To provide full public accountability to consumers; and
- 6) To utilize municipal and other powers and authorities that constitute basic consumer protection to achieve these goals.

2.3 Programs of the Plan

The Town offers one program to achieve its goals: the Town of Lunenburg Community Choice Aggregation. In addition, the Plan provides professional representation on behalf of consumers in state proceedings and in regional or local forums to protect consumer interests in an evolving marketplace.

The Community Choice Aggregation Program is designed to offer competitive choice to consumers, and to gain other favorable economic and non-economic terms in service contracts. The Town does not buy and resell power, but represents consumer interests to set the terms for service. Through a competitive bid and negotiation process, the Town develops a contract with a power supplier for firm, all-requirements service. The contract runs for a fixed term. The process of supply contract approval contains checks and balances. Once the contract has been negotiated by the Town's agent, it must be submitted to the Town Manager for approval. And lastly, individual consumers may opt out of the program, and select Basic Service from Unitil or supply from any other supplier they wish at anytime before or following their enrollment in the Town's Community Choice Aggregation Program (See section 4.1.7 for more detailed information on the opt-out process.) No individual consumer is required to receive service under the Town's contract.

2.4 Staffing and Manpower for Programs

The operations necessary to plan, deliver, and manage the Town's program include: 1) technical analysis; 2) competitive procurement of services; 3) regulatory approvals; 4) accounting and fiscal management; 5) contract maintenance; 6) communications; 7) program coordination, and; 8) administrative support for the Community Choice Aggregation Program. The Town intends to utilize CPG as the professional, technical, and legal consultants to operate the program. CPG is a licensed broker of electricity in Massachusetts. CPG has experience designing, implementing and administering the opt-out aggregation program in place in Marlborough, MA and under development in Lanesborough, MA and Ashland, MA. CPG will be responsible for monitoring all aspects of the aggregation plan and any resulting contractual agreements, including but not limited to monitoring and reporting on compliance with all contract terms and conditions; resolution of contract issues; implementation of the "opt-out" process for customers; participation in negotiations with the distribution company serving the Town as it relates to the implementation of the aggregation program; preparation of reports on the aggregation program, as directed; and routine updates and attendance at meetings with the Town Manager and Board of Selectmen.

The Community Choice Aggregation Program has been developed on behalf of the Town by CPG. Once a contract for power supply has been secured by CPG, CPG will administer the Community Choice Aggregation Program.

CPG will undertake negotiations with Competitive Suppliers and provide representation at the state level as needed, at the direction of the Town Manager and Board of Selectmen. The terms and conditions of any contract for power supply are subject to review by the Town

Counsel, as well as by any outside legal counsel which may be selected by the Town, and may be further subject to the Town Counsel's approval as to legal form.

3.0 PROGRAM FUNDING

Initial funding for Town's Community Choice Aggregation Program comes from private capital supplied by CPG. The Electric Supply Agreement with a Competitive Supplier will include a \$0.001/kWh adder that will be paid by the Competitive Supplier to CPG. The \$0.001/kWh adder will fund the on-going costs of the Community Choice Aggregation Program. The start-up costs, to be borne by CPG, include costs for legal representation, public education, communications, and mailing costs.

4.0 ACTIVATION AND TERMINATION OF THE POWER SUPPLY PROGRAM

4.1 Activation of the Community Choice Power Supply Program

Following the process of aggregation and competitive procurement of a proposed contract by the Town of Lunenburg, activation of the Community Choice Aggregation Program requires seven steps:

- 1) Acceptance of the aggregation plan by the Board of Selectmen and Town Manager of Lunenburg pending DPU approval.
- 2) DPU approval of the aggregation plan.
- 3) Town of Lunenburg approval of the final supply contract (final signing of ESA by Town Manager).
- 4) Notification of Eligible Consumers of pending automatic enrollment in the Community Choice Aggregation Program.
- 5) Notification of Unitil.
- 6) Activation of Participating Consumers' service on billing cycle dates.
- 7) Customer Opt-Out

Each of these steps is described below:

4.1.1 Acceptance of the Contract By Board of Selectmen and Town Manager

All power supply contracts negotiated by the Town shall be expressly conditioned upon the acceptance of the contract by the Town Manager. Suppliers and power supply contracts must comply with all applicable laws and rules and regulations promulgated by the DPU concerning competitive suppliers. The Supplier must have in place an executed Competitive Electric

Supplier Service Agreement with Fitchburg Gas and Electric Light Company d/b/a Unitil before service can commence to any Participating Consumer under the Community Choice Power Supply Program. All EDI testing between the Supplier and Unitil also must be completed before service can commence to any Participating Consumer under this Program. Further, nothing in the Community Choice Power Supply Program, nor its contract with the Town, shall abrogate the Competitive Supplier's responsibilities and adherence to the Fitchburg Gas and Electric Light Company's Terms and Conditions for Competitive Suppliers.

4.1.2 DPU Approval of Plan

The Town, through its agent, shall file this aggregation plan with the DPU. The DPU is required to hold a public hearing on the plan.

4.1.3 Signing of Power Supply Contract by the Board of Selectmen and Town Manager

With the signing of the contract by the Town Manager, the terms and conditions in the contract will be utilized for service for Eligible Consumers within the municipal boundaries of Lunenburg, except for those consumers who have selected a competitive supplier prior to the contract activation date and do not wish to switch to service under the Town's contract, or those consumers who affirmatively opt out of the program. In addition, all Eligible Consumers relocating to the area will be enrolled in the Town's Community Choice Aggregation Program one month after their delivery account is set up with Unitil, unless they choose another supplier, or opt-out following activation of service.

The Town shall file with the DPU, DOER, and Inspector General, within 15 days of signing by the Board of Selectmen and Town Manager, the signed power supply contract and a report detailing the process used to execute the contract.

4.1.4 Notification of Consumers

Following approval of the contract by the Town, the Supplier shall undertake notification of all Eligible Consumers on Basic Service to be enrolled prior to enrollment. The Town may also generally notify all consumers receiving competitive service in Lunenburg of their eligibility to receive power from the Town's supplier. The process of Notification shall be multi-layered: 1) a mailing to be mailed by the Supplier; 2) newspaper notices; 3) public service announcements; 4) posting of notices in Town Hall. Unitil reserves the right to include bill messages pertaining to the Community Choice Aggregation Program. All notification expenses shall be borne by the Supplier.

Prior to enrollment, this notification shall: 1) inform consumers they have the right to opt out of the aggregated entity without penalty and choose Basic Service at any time before or after their first day of service; 2) prominently state all charges to be made and a comparison of the price and primary terms of the Town's contract compared to the price and terms of Unitil's Basic Service; 3) explain how to opt out; 4) provide written notification that no charges associated with the opt-out will be made by the Supplier.

In those instances when an eligible customer first moves into the Town, the customer will not be assigned to the Town's designated Supplier until the Supplier submits an "enroll customer" transaction for such customer. Prior to such "enroll customer" transaction, the customer shall receive Basic Service.

Unitil will inform new eligible customers requesting service in the Town that they have generation supply option(s), including the availability of the Community Choice Aggregation. To facilitate enrollment in the Town's program, Unitil will electronically transmit the name, address and existing supply option of the new customer to the Town's designated Supplier to facilitate the notification and Opt-Out requirements of the program. Once the appropriate notification has been provided to the customer and applicable Opt-Out requirements met, the Supplier will electronically enroll the customer by submitting an "enroll customer" transaction to Unitil in accordance with the rules and procedures set forth in the EBT Working Group Report.

The procedures described above may also be found in National Grid's filing related to municipal aggregation, docketed as DTE 06-104. These procedures were discussed in numerous meetings between CPG and National Grid staff and should be applicable to all aggregations in Massachusetts, regardless of Distribution Company.

The methods by which customers will be enrolled in Lunenburg's Community Choice Aggregation are consistent with Unitil's terms and conditions for competitive suppliers – M.D.T.E. Nos. 101A, 201A, and 301A.

4.1.5 Notification of Unitil

Along with notification of Eligible Consumers in the Town of Lunenburg, the Town shall notify the selected Supplier and Unitil to begin preparation of the administrative process to transfer Eligible Consumers coincident with each customer's billing cycle. Alternatively, or in combination with the Town notification, the selected Supplier may notify Unitil to begin preparation of the administrative process.

4.1.6 Activation of Participating Consumers' Service on Billing Cycle Dates

The process of activation is an administrative function with three parts: 1) Data preparation: Unitil will identify all customers on Basic Service in Lunenburg by eliminating those customers who have already selected a competitive supplier; 2) Automatic Enrollment: All verified customers shall be transferred to the Town's supplier coincident with Unitil's billing periods, unless they have previously sent in notification of their intent to opt out according to established deadlines. Eligible Consumers will be enrolled with the new supplier over the period of one month. Unitil shall notify each transferred consumer of the change to the Town's supplier with its last bill for Basic Service. Service under the new supplier shall begin at the start of the billing period following transfer.

4.1.7 Customer Opt-Out

Eligible Consumers may opt out of service from the Town's Community Choice Aggregation Program at no charge either in advance of service start up deadlines or at anytime after the first day of service. Customers who seek to return to Basic Service should provide notice to the supplier and/or Unitil five (5) or more business days before the next scheduled meter read date. Participating Residential customers will be transferred to Basic Service in two (2) business days. Participating Commercial and Industrial customers will be transferred to Basic Service after their next meter read date provided the meter read date is at least two (2) days after Unitil is notified of the transfer. There shall be no charge for returning to Basic Service in this manner. Further opportunities for customer opt-out may be negotiated by the Town and the competitive power supplier and included in the terms of the contract presented to the Board of Selectmen, the Town Manager, and made part of the public information offered to each consumer.

4.2 Termination of the Power Supply Program

The Community Choice Aggregation program may be terminated in two ways:

- 1) Upon the termination or expiration of the power supply contract without any extension, renewal, or subsequent supply contract being negotiated;
- 2) At the decision of the Board of Selectmen and Town Manager to dissolve the Community Choice Aggregation Program.

Each individual customer receiving power supply service under the Town's Community Choice Aggregation Program will receive notification of termination of the program ninety (90) days prior to such termination.

In the event of contract termination, consumers would return to Unitil's Basic Service or choose a competitive supplier.

5.0 METHODS FOR ENTERING AND TERMINATING AGREEMENTS WITH OTHER ENTITIES

The Town's process for entering, modifying, enforcing, and terminating all agreements associated with the aggregation shall comply with the requirements of the Town's charter, and state and federal laws. Where required, the procedures outlined in MGL Chapter 30B shall be followed. Other agreements shall be entered, modified, or terminated in compliance with the law and according to the express provisions of the relevant agreement.

6.0 RATE-SETTING AND OTHER COSTS TO PARTICIPANTS

The Town of Lunenburg will offer the Community Choice Aggregation Program at rates and terms to be negotiated with competitive power suppliers. All supplier charges to the customer will be fully and prominently disclosed under the notification process.

Unitil shall continue to provide metering, billing, and maintenance of the distribution system as authorized by the DPU. Charges for metering, billing and other distribution services shall be regulated by the DPU, unless otherwise provided for in law.

6.1 Rates and Rate-setting

Under DPU orders, the local distribution company assigns the customer classification and corresponding character of service and associated regulated rates. These rates include a monthly customer charge, a distribution charge, a transmission charge, a transition charge, an energy conservation charge, and a renewable energy charge that currently make up a portion of a customer bill. (See sample bill in section 6.3 below.) Although the Town, or its agent, may participate in regulatory proceedings and represent the interests of consumers regarding these regulated rates, it will not assign or alter existing customer classifications without the approval of the DPU.

The focus of the Town, as noted above, will be acquisition of competitive prices and terms for power supply. This price, or prices, will be set through the competitive bid and negotiation process, and will be noted on the consumer bill as the "generation charge."

The competitive bid process will seek prices that will differ among the customer classifications established by the local distribution company's tariffs. The terms and conditions of service may also vary among customer classifications.

6.2 Other Costs to Consumers

Community Choice Aggregation Program funding will be derived from a \$0.001/kWh commission fee payable by the Supplier to Colonial Power Group, Inc.

6.3 Customer Billing

The Supplier will notify Unitil that it desires "Standard Complete Billing Service." And will furnish a rate for each Rate Code. The bill shall include a clear delineation of all regulated and non-regulated charges. Participating Consumers will receive a "standard complete bill" that incorporates the power supply charge Unitil's distribution charges on a single sheet. The typical residential "complete bill" for use of 500 kilowatt hours shows the following charges for Unitil's Basic Service in December 2010:

Delivery Services

Customer Charge						\$ 5.29
Distribution Charge	\$.05387	X	500	KWH		\$26.94
Transition Charge	\$.02751	X	500	KWH		\$13.76
Transmission Charge	\$.01733	X	500	KWH		\$ 8.67
Energy Conservation Charge	\$.00250	X	500	KWH		\$ 1.25
Renewable Energy	\$.00050	X	500	KWH		\$.25
Total Delivery Services						\$56.16

Supplier Services

Generation Charge						
Basic Service-Fixed	\$.07534	X	500	KWH		\$37.67
Total Cost of Electricity						\$37.67
Total Current Balance						\$93.83

7.0 UNIVERSAL ACCESS

"Universal access" is a term derived from the traditional regulated utility environment in which all customers desiring service receive that service. The DOER's "Guide to Municipal Electric Aggregation in Massachusetts" has defined universal access to mean "electric services sufficient for basic needs (an evolving bundle of basic services) available to virtually all members of the population regardless of income." The Guide also provides that a municipal aggregation plan meets the requirement of universal access "by giving all consumers within its boundaries the opportunity to participate, whether they are currently on Default Service or the supply service of a Competitive Supplier." For the purposes of the Town's Community Choice Aggregation Program this will mean that all existing Eligible Consumers within the borders of Lunenburg and all new Eligible Consumers in Lunenburg shall be eligible for service from the contracted supplier under the terms and conditions of the supply contract. Item one of the Town's goals as

indicated in 2.2 above is: "To provide the basis for aggregation of consumers on a non-discriminatory basis."

Service under the Town's Community Choice Aggregation Program shall include customer classes in adherence with universal service principles and requirements, and the traditional non-discriminatory practices of local government. Contracts with all suppliers shall contain provisions to maintain these principles and equitable treatment of all customer classes.

Existing Eligible Consumers in the Town of Lunenburg shall be transferred to the Lunenburg Community Choice Aggregation Program unless they have already contracted with a Competitive Supplier, or affirmatively opt out of the program.

Low-income consumers shall remain subject to all existing provisions of state law regarding their rights to return to Basic Service and participate in the Community Choice Aggregation Program as well.

New Eligible Consumers in the service territory shall be automatically enrolled in the program one month after establishing delivery service with Unitil. However, any new Eligible Consumer will be informed via direct mail of the right to opt-out of the Community Choice Power Supply Program before commencing service. New customers will retain the right to opt out anytime after the commencement of Community Choice Aggregation Program service.

8.0 EQUITABLE TREATMENT OF ALL CLASSES OF CUSTOMERS

All customers will be treated equitably. They will be guaranteed the right to raise and resolve disputes with the Supplier; be provided all required notices and information; and always retain the right to opt out of the Town's Community Choice Aggregation Program as described herein or to switch suppliers. The requirement of equitable treatment of all customers does not, however, require that all customer rate classes be offered the same pricing or terms and conditions. To impose such an interpretation to the statutory requirements governing municipal aggregation programs would, in effect, result in inequitable treatment, as attempting to apply identical prices, terms, and conditions to customer rate classes with widely disparate characteristics would have the inevitable effect of giving some customer rate classes more favorable service than others. The implementation of the Community Choice Aggregation Program will recognize this reality through appropriate distinctions in pricing and, where applicable, terms and conditions among customer rate classes.

9.0 RELIABILITY

"Reliability" in power supply and in transmission and distribution is essential to consumers. This will be accomplished and reinforced by the Community Choice Aggregation Program at several levels: 1) through provisions of the power supply contract that will include language on reliability of supply, liability and damages provisions; 2) through traditional proceedings related to Unitil's regulated transmission and distribution services; 3) through direct discussions with

Unitil concerning specific or general problems related to quality and reliability of transmission and distribution service in Lunenburg.

10.0 RIGHTS AND RESPONSIBILITIES OF POWER SUPPLY PROGRAM PARTICIPANTS

10.1 Rights

All Community Choice Power Supply Program participants shall enjoy the protections of law afforded to consumers as they currently exist or as they may be amended from time to time. These include rights to question billing or service quality or service practices. Under protocols developed by the DPU, problems related to billing or service shall be directed to the appropriate parties. All program participants shall also enjoy the individual right to decline participation in the Town's Community Choice Aggregation Program as noted in the description of the "opt-out" in section 4.1.7 above.

10.2 Responsibilities

All Community Choice Power Supply Program participants shall meet all standards and responsibilities required by the DPU, including payment of billings and access to essential metering and other equipment to carry out utility operations. Nothing in this Community Choice Power Supply Program shall abrogate the utility's responsibilities as defined in its General Terms and Conditions for Distribution Service nor shall it abrogate the Participating Consumer's responsibilities under the same General Terms and Conditions for Distribution Service.

11.0 THE CONSEQUENCES OF AGGREGATION

Municipal aggregation functions under the restrictions of state law and carries a range of results and consequences:

11.1 Consumer Option to Participate in Competitive Market

Many individual consumers lack knowledge and leverage to negotiate terms for power supply. A municipal aggregator provides them with an option for professional representation and the leverage of a large group so that they may participate more effectively in the competitive process and achieve benefits.

11.2 Consumer Ability to Opt Out and Choose Another Supplier

Because the law guarantees the right to opt out, including the right to choose Basic Service at no charge, all Eligible Consumers have the right to select a supplier other than the one chosen by the Town Manager and Board of Selectmen.

11.3 Indemnification of Consumers and Risk Associated with Competitive Market

In a competitive market it is possible that the failure of a power supplier to provide supply service may result in the need for consumers to acquire alternative power supply, or for consumers to receive power at Basic Service prices. The Town will seek to minimize this risk by recommending only reputable suppliers who demonstrate reliable service. The Town also intends to include conditions in its contract with a supplier that will indemnify consumers against risks or problems with power supply service.

11.4 Other Consumer Protections

The Town intends to negotiate a range of provisions in its contracts to enhance consumer protection. If necessary, the Town also intends to work with Unitil and the DPU to assure improvement in the reliability of transmission and distribution services.

12.0 REQUIREMENTS ESTABLISHED BY LAW OR THE DEPARTMENT CONCERNING AGGREGATED SERVICE

The Town fully intends to comply with the requirements of law and the rules of the DTE.

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IT Activities 2010 – 2011

Equipment Replaced with New:

- 3 PCs in Treasurer's office
- 1 PC in Town Clerk's office
- 1 PC and 1 laptop in Selectman's office
- 1 laptop in Town Manager's office
- 1 Toughbook, 1 portable printer, 1 workstation, and 2 digital cameras in Fire Department
- 4 PCs, 1 Mircs PC, 2 laptops, and 2 Toughbooks in Police Department
- 1 Fax machine in Town Hall
- 1 PC and 1 Fax machine in Senior Center
- 2 PCs in Planning Office
- 15 PCs, 2 printers, and fax machine in public library

New Equipment

- Server for Public Library
- Autoloader Tape Backup System for Town Hall
- Workgroup printer for Ritter Building
- New copiers leased for Police Department and DPW.
- New leased copier ordered for Ritter Building.

Other Activities:

- Created a domain in Public Library, finally allowing them to share resources and have central control.
- Trained Jen in Public Library to perform basic network tasks on new domain.
- Installed VPN.
- Set up Leigh at DPW to access Munis through VPN.
- Installed Office 2010 in all Town Offices.
- Signed agreement with Qsend to host new town web site.
- Signed agreement with Cartographics to host town maps.
- Installed all hardware and software for town hall backup system. Daily backup routine now in place.
- Working with vendors to spec out new phone system and get pricing.
- Had to have repairs done on Town Wireless network in December when broken screen cut fiber cable.
- Installed wireless access point in Town Hall to allow wireless internet access for laptops.
- Phone system at Ritter burned up after a power outage, requiring a replacement phone system. Covered under maintenance agreement.

FY2012 - 2016 Financial Forecast

	FY12	FY13	FY14	FY15	FY16
General Expenditure Assumptions:					
1. All utilities, except telephone, are projected to increase 5% per year					
2. Telephone expenses are projected to increase 2.5% per year					
3. All other expenses, except where noted below, are projected to increase 2%					
4. All personnel expenses, except where noted below, will increase in accordance with approved contracts.					
5. All dues, memberships, training, mileage reimbursement accounts have been restored	\$ 7,905	\$ 7,905	\$ 7,905	\$ 7,905	\$ 7,905
Special Expenditure Assumptions:					
1. General Government: create PT HR Coordinator position; transitioning to FT in FY2015.	\$ 25,000	\$ 30,000	\$ 35,000	\$ 50,000	\$ 60,000
4. Police: Add 1 Patrol Officer per year FY12, 13 & 14; add 1 Sergeant in FY15	\$ 55,000	\$ 110,000	\$ 165,000	\$ 228,848	\$ 228,848
5. Fire: Phase in 2nd shift, 2 person coverage, 50% of week in FY12; 100% of week by FY13.	\$ 38,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000
7. Building Inspection: additional hours for PT Assistant Building Inspector	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
8. Emergency Management: increase stipend from \$2,500 to \$5,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
11. DPW: \$50K per year for Crack Sealing Program	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
12. DPW: Add one laborer/equipment operator position per year	\$ 40,000	\$ 80,000	\$ 120,000	\$ 160,000	\$ 200,000
15. DPW: Facilities, one additional maintenance worker	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297
17. COA: add additional PT hours for Outreach	\$ 15,450	\$ 16,050	\$ 16,662	\$ 17,286	\$ 17,923
19. Library: Pay CWMARS membership out of operating budget	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
22. Contribution to Stabilization Fund to maintain 5% savings target	\$ 100,000	\$ 104,750	\$ 108,710	\$ 112,525	\$ 116,227
23. \$750K toward Pavement Management Plan each year	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
24. \$500K toward Capital Plan each year	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
sub-total:	\$ 1,278,450	\$ 1,422,600	\$ 1,527,988	\$ 1,652,108	\$ 1,707,296
Projected Deficit:	\$ (2,776,890)	\$ (3,258,448)	\$ (3,630,185)	\$ (3,982,234)	\$ (4,261,521)
back out new costs from projected deficit:	\$ (1,498,440)	\$ (1,835,848)	\$ (2,102,197)	\$ (2,330,126)	\$ (2,554,226)
3. General Government: increase Town Clerk's Salary by 10% in FY12; 2.5% per year thereafter.	\$ 4,056	\$ 5,171	\$ 6,315	\$ 7,487	\$ 8,688
2. General Government: increase Legal Expenses by 3% per year.	\$ -	\$ 4,500	\$ 9,135	\$ 13,909	\$ 18,826
6. Fire: Assume in-house dispatch	\$ -	\$ -	\$ -	\$ -	\$ -
7. Building Inspection: additional hours for PT Assistant Building Inspector	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
9. School Department: use Superintendent's projections	\$ 777,924	\$ 1,700,924	\$ 2,344,924	\$ 2,911,924	\$ 3,495,624
10. Morly Tech: assume increase of 3.5% per year	\$ 31,780	\$ 55,153	\$ 79,344	\$ 104,382	\$ 130,296
13. DPW: increase Snow & Ice Supplies by 5% each year, others by 2%	\$ 10,100	\$ 20,657	\$ 31,693	\$ 43,231	\$ 55,294
14. DPW: Fleet Maintenance & Fuel: increase all accounts by 5% per year	\$ 6,879	\$ 14,102	\$ 21,687	\$ 29,650	\$ 38,012
16. Solid Waste: 5% per year	\$ 6,250	\$ 6,250	\$ 12,813	\$ 12,813	\$ 19,703
18. Library: increase hours to restore cuts made in FY10	n/a	n/a	n/a	n/a	n/a
20. Retirement Assessment: increase 10% per year	\$ 58,381	\$ 122,600	\$ 193,240	\$ 270,945	\$ 356,421
21. Workers Compensation: increase 5% per year	\$ 3,000	\$ 6,150	\$ 9,458	\$ 12,930	\$ 16,577
sub-total:	\$ 899,314	\$ 1,935,336	\$ 2,707,293	\$ 3,404,784	\$ 4,135,753